

STATE OF WASHINGTON

Phone: (360) 725-7000

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of

No. D 06 - 174

CURTIS W. HORTON,

ORDER REVOKING LICENSE

Licensee.

To: Curtis W. Horton  
12136 N. Riverwood Drive  
Spokane, WA 99218

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your license is REVOKED, effective May 10, 2006, pursuant to RCW 48.17.530 and 48.17.540(2).

THIS ORDER IS BASED ON THE FOLLOWING:

1. The licensee knowingly sold two annuity policies issued by Allianz Life Insurance Company of North America that were not approved for sale in Washington to Lori Moore and Harry Moore who reside in Spokane, Washington. The solicitations took place in Washington and the policies were delivered in Washington. The licensee falsified the applications by stating and attesting in writing that they were signed in Idaho when in fact they were signed in Washington.

2. The licensee knowingly sold three annuity policies issued by Allianz Life Insurance Company of North America that were not approved for sale in Washington to Colleen Kelly, a resident of Seattle, Washington. The solicitations took place in Washington and the policies were delivered in Washington. The licensee falsified the applications by stating and attesting in writing that they were signed in Idaho when in fact they were signed in Washington. The licensee also signed Ms. Kelly's name and affixed what falsely purported to be her signature to a request that the licensee then forwarded to Allianz to switch one of Ms. Kelly's annuity policies to contract known as the "PowerdexElite."

3. The licensee knowingly sold two annuity policies issued by Allianz Life Insurance Company of North America that were not approved for sale in Washington to Daniel Helt and Helen Helt, residents of Endicott, Washington. The solicitations took place in Washington and the paper work was completed in Washington. The licensee falsified the applications by stating and attesting in writing that they were signed in Idaho when in fact they were signed in Washington.

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4. In selling the above referenced annuities to the Moores, Helts, and Ms. Kelly, the licensee exaggerated and misrepresented the benefits or advantages of the annuity policies. Licensee's exaggerations included the use of a policy illustration entitled "Buckets of Money" that was not authorized or approved by Allianz and that overstated the returns that could reasonably be expected.

5. As a result of licensee's recommendations, consumers would have incurred significant losses in the event they needed to access the annuity funds where the contract holder was restricted to a 5% penalty free withdrawal. The Allianz Life contract provides for significant surrender penalties for 10-12 years and with a surrender penalty as high as 15% for the first four years on some contracts.

6. The licensee did not inform the consumers that the contracts were not approved in Washington. The licensee told one consumer that he brought the wrong application, but that the Idaho application had the same information. The consumer was not told that the application needed to show it was taken in Idaho.

7. The licensee violated the following regulations and provisions of the insurance code:

a.) By engaging in unfair or deceptive acts or practices in the conduct of business, the licensee violated RCW 48.30.010.

b.) By making, publishing, and disseminating false, deceptive and misleading representations in the conduct of the business of insurance, the licensee violated RCW 48.30.040.

c.) By making, issuing and circulating misrepresentations of the terms of insurance policies, the licensee violated RCW 48.30.090.

d.) By falsifying information on applications and submitting information on applications the licensee knew was false, the licensee violated RCW 48.30.210.

e.) By selling annuity policies in Washington to Washington residents when the policies were not approved for sale in Washington, the licensee caused and participated in the violation of RCW 48.18.100.

By reason of his conduct, and his violations of the Insurance Code, Curtis W. Horton has shown himself to be, and is so deemed by the Commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington. Accordingly, Curtis W. Horton's license is revoked pursuant to RCW 48.17.530 and RCW 48.17.540.

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IT IS FURTHER ORDERED that you return your insurance agent's license certificate to the Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attn John F. Hamje, Deputy Insurance Commissioner, Consumer Protection Division, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 20<sup>th</sup> day of April, 2006.

MIKE KREIDLER  
Insurance Commissioner

By

JOHN F. HAMJE  
Deputy Insurance Commissioner  
Consumer Protection Division

Investigator: Tom Talarico

DECLARATION OF MAILING

I certify under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to Curtis W. Horton.

Dated: April 20, 2006  
At Tumwater, Washington

*Victoria Estrada*  
Victoria Estrada

## **NOTICE OF YOUR RIGHT TO A HEARING**

You have the right to demand a hearing to contest this Order. During this hearing, you can present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your Demand for Hearing should be sent to John F. Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Your Demand for Hearing must be made within 90 days after the date of this Order, which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.